

FLORIDA PUBLIC SERVICE COMMISSION

**2001 REPORT TO THE FLORIDA LEGISLATURE ON STATUS OF THE
TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991**

December 2001

TABLE OF CONTENTS

I. Terms and Acronyms	1
II. Executive Summary	2
Table A - Financial Report	2
Table B - Equipment Distribution	2
Table C - New Recipients of Equipment and Training	3
Table D - Surcharge Level	3
III. Development of the Telecommunications Access System	4
IV. Revenues and Expenditures	5
V. Distribution of Specialized Telecommunications Equipment	6
VI. Relay Calling	6
VII. Advisory Committee	7
VIII. Conclusion	7
APPENDIX A - FTRI Budget for 2000-01 and 2001-02 Fiscal Years	8
APPENDIX B - FTRI Annual Report to the Florida Public Service Commission	10
APPENDIX C - Florida Relay Service Annual Report to the Florida Public Service Commission– Sprint	30

Status of Implementation of the
TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991

I. TERMS AND ACRONYMS

Several terms and organizations are referenced throughout this report. To assist in reading the report, the following explanation of terms is provided.

ADMINISTRATOR - A nonprofit corporation [427.704(2), F.S.] created by the local exchange telephone companies pursuant to Commission Order No. 24462 dated May 1, 1991.

That nonprofit corporation was created in June of 1991 and is known as the Florida Telecommunications Relay, Inc. (FTRI). The FTRI has three basic roles: (1) to collect the surcharge revenues from the local exchange telephone companies and pay the relay service provider [427.705(1)(d)&(g), F.S.]; (2) to distribute and maintain specialized telecommunications devices [417.705(1)(a), F.S.]; and (3) to provide community outreach and training on use of the relay service and specialized telecommunications devices [427.705(1)(a)-(b), F.S.] The FTRI's office is located in Tallahassee.

ADVISORY COMMITTEE - A group of up to ten (10) individuals recommended by various organizations representing both the telephone industry and individuals with hearing, speech, or dual sensory impairment (427.706, F.S.) The Advisory Committee's role is to provide input to both the FPSC and the Administrator on the development and operation of the Telecommunications Access System. The Advisory Committee has been actively involved in the implementation of TASA since May 1991. The Advisory Committee meets with the Commission staff regularly and makes presentations before the Commission.

FCC - Federal Communications Commission.

FPSC - The Florida Public Service Commission, which has overall responsibility for implementation and oversight of the system [427.704(1), F.S.]

FTRI - The Florida Telecommunications Relay, Inc., which is the corporation formed to serve as the TASA Administrator.

LEC - The providers of local exchange telephone service, which are responsible for collecting the surcharge and submitting it to the Administrator [427.704(4)(a)-(d), F.S.]

PROVIDER - The entity that provides relay service [427.704(3)(a), F.S.] The FPSC entered into a contract with Sprint to provide relay service for the three-year period from June 1, 2000, through May 31, 2003. Prior to June 1, 2000, the provider was MCI Telecommunications Corporation.

TASA - Telecommunications Access System Act of 1991.

II. EXECUTIVE SUMMARY

The Telecommunications Access System Act of 1991 (TASA) gives the Florida Public Service Commission (FPSC) responsibility for implementation and oversight of the telecommunications system created by TASA. The following sections of this report describe implementation of the requirements of the law. The tables below provide a statistical summary of the status of the Telecommunications Access System.

TABLE A
FINANCIAL REPORT
(7/00 - 6/01)

Total Revenue	\$10.7 million
Program Expense	\$13.9 million
Administrative Expense	\$.8 million
Revenue less Expenses	\$ (3.9) million*

**It should be noted that the additional expenses were paid by a cash surplus that had previously been funded by the surcharge.*

TABLE B
EQUIPMENT DISTRIBUTION*

	Total Items Distributed	Average Per Month
9/1/91 - 6/30/92	6,462	646
7/1/92 - 6/30/93	22,259	1,855
7/1/93 - 6/30/94	41,639	3,470
7/1/94 - 6/30/95	45,307	3,776
7/1/95 - 6/30/96	41,281	3,440
7/1/96 - 6/30/97	36,526	3,044
7/1/97 - 6/30/98	38,321	3,193
7/1/98 - 6/30/99	38,559	3,213
7/1/99 - 6/30/00	40,747	3,396
7/1/00 - 6/30/01	59,663	4,972

**The predominant single piece of equipment distributed is the volume control telephone for the hearing impaired.*

TABLE C
NEW RECIPIENTS OF EQUIPMENT AND TRAINING
(7/00 - 6/01)

Deaf	481
Hard of Hearing	23,914
Speech Impaired	163
Dual Sensory Impaired	57
Total	*24,615

**The number of new recipients is lower than the amount of distributed new equipment referenced in Table B, page 2, because a significant number of recipients received more than one piece of equipment.*

TABLE D
SURCHARGE LEVEL

7/1/91 to 6/30/92	5¢/access line/month
7/1/92 to 10/31/94	10¢/access line/month
11/1/94 to 6/30/95	12¢/access line/month
7/1/95 to 6/30/96	10¢/access line/month
7/1/96 to 6/30/98	12¢/access line/month
7/1/98 to 6/30/99	11¢/access line/month
7/1/99 to 6/30/00	9¢/access line/month
7/1/00 to 6/30/01	8¢/access line/month
7/1/01 forward	12¢/access line/month

Additional statistical information is contained in Appendices to this report. Appendix A (pages 8 & 9) provides the budget for FTRI for the 2000-01 and 2001-02 fiscal years. Appendix B (pages 11-30) is FTRI's annual report to the Public Service Commission and contains information on the equipment information program and audited financial statements for FTRI. Appendix C (pages 31-39) is information compiled from Sprint's monthly report and contains usage information on the relay service.

III. DEVELOPMENT OF THE TELECOMMUNICATIONS ACCESS SYSTEM

The major implementation issues were addressed in 1991 and 1992. Since that time, the Telecommunications Access System continues to meet telecommunications needs of the people of Florida. The table below identifies the major steps in development of the Telecommunications Access System.

April 24, 1991	Legislature enacted TASA.
May 1, 1991	First Advisory Committee members named.
May 24, 1991	TASA became law.
June 13, 1991	Florida Telecommunications Relay, Inc. (TASA Administrator) incorporated as a nonprofit association.
July 1, 1991	TASA surcharge set at \$.05 per access line per month.
September 1, 1991	Responsibility for distribution of specialized telecommunications equipment transferred from Florida Council for the Hearing Impaired to Florida Telecommunications Relay, Inc.
September 16, 1991	First specialized telecommunications equipment distributed by FTRI.
August 15, 1991	Relay RFP issued for relay service beginning June 1, 1992.
January 17, 1992	Contract signed with MCI to provide Florida Relay Service.
June 1, 1992	Florida Relay Service formally begins processing relay calls out of the Miami relay center.
July 1, 1992	TASA surcharge increased from \$.05 to \$.10 per access line per month.
September 15, 1992	FPSC request for certification of Florida Relay Service sent to FCC.
July 8, 1993	FCC letter certifying the Florida Relay System as being in compliance with FCC rules implementing the Americans with Disabilities Act. Certification is in effect from July 26, 1993 through July 25, 1998.
March 31, 1994	Final report of Deaf Service Center Association on results of pilot project on Special Needs.
August 4, 1994	Contract amendment with MCI to extend relay service contract for fourth year from June 1, 1995 to May 31, 1996.
November 1, 1994	TASA surcharge increased from \$.10 to \$.12 per access line per month.
July 1, 1995	TASA surcharge decreased from \$.12 to \$.10 per access line per month.
July 18, 1995	Contract amendment with MCI to extend relay service contract for fifth year from June 1, 1996 to May 31, 1997
July 1, 1996	TASA surcharge increased from \$.10 to \$.12 per access line per month.
August 14, 1996	Relay RFP issued for relay service beginning June 1, 1997.
April 8, 1997	Contract signed with MCI to provide Florida Relay Service for three years. (June 1, 1997 - May 30, 2000)
May 6, 1997	MCI offers a third 800 telephone number for ASCII users.

September 4, 1997	The FPSC, on behalf of the State of Florida, submitted an application for renewal of the certification of the Florida Relay Service by the FCC.
July 1, 1998	TASA surcharge decreased from \$.12 to \$.11 per access line per month.
July 1, 1998	The FPSC submitted its comments to the FCC on several relay issues in CC Docket No. 98-67, Telecommunications Relay Services and Speech to Speech Services for Individuals with Hearing and Speech Disabilities.
July 1, 1999	TASA surcharge decreased from \$.11 to \$.09 per access line per month.
October 7, 1999	Relay RFP issued for relay service beginning June 1, 2000.
January 11, 2000	Sprint selected as Florida's relay provider.
March 30, 2000	MCI assessed liquidated damages for service quality.
June 1, 2000	Sprint became Florida's Relay provider.
July 1, 2000	TASA surcharge decreased from \$.09 to \$.08 per access line per month.
August 2, 2000	MCI assessed additional liquidated damages.
November 7, 2000	The Commission voted to amend the contract with Sprint to incorporate changes mandated by the FCC beginning December 18, 2000.
November 7, 2000	The Commission voted to add Turbo Code as a service offered by Sprint.
May 15, 2001	The Commission voted to add Caller ID as a service offered by Sprint.
June 2001	The Commission received an award from the Florida Association for the Deaf for its service to promote relay advancements for Florida deaf citizens.
July 1, 2001	TASA surcharge increased from \$.08 to \$.12 per access line per month
August 1, 2001	711 used to access relay service in Florida.

IV. REVENUES AND EXPENDITURES

Pages 23 through 30 are the audited financial statements for Florida Telecommunications Relay, Inc. for the fiscal year ended June 30, 2001. Appendix A to this report (pages 8 & 9) is the 2000-01 and 2001-02 fiscal year budgets for FTRI. As reflected in the 2001-02 budget, the relay surcharge is estimated to produce \$15.5 million during the year. This surcharge revenue, plus interest earned, and money contained in FTRI's current surplus, will be used to fund the projected total expenses of \$16.7 million for the year. Of that \$16.7 million, \$9.2 million will fund the relay service. The total expenses are broken down into the five categories listed below:

BUDGET CATEGORY	\$ MILLION
I. Relay Services	\$9.2
II. Equipment and Repairs	4.0
III. Equipment Distribution and Training	1.6
IV. Outreach	.9
V. General and Administrative	1.0
Total Expenses	\$16.7

V. DISTRIBUTION OF SPECIALIZED TELECOMMUNICATIONS EQUIPMENT

Section 427.705(9), F.S. of TASA requires the Administrator to file a report annually to the Commission by November 1 which shall include the status of the distribution of specialized telecommunications devices and an accounting of any money received and disbursed. Appendix B (pages 11 to 30) is FTRI's (the Administrator) annual report to the FPSC.

The following table identifies the types and quantity of equipment which were distributed to end-users by FTRI from July 1, 2000 through June 30, 2001.

EQUIPMENT DISTRIBUTED BY FTRI	UNITS DISTRIBUTED 7/1/00 - 6/30/01
1. Volume Control Telephones for Hearing Impaired (VCPH)	44,747
2. Audible Ring Signalers (ARS)	10,739
3. Visual Ring Signalers (VRS)	1,790
4. Telecommunications Devices for the Deaf (TDD)	1,193
5. Voice Carry-Over Telephone & TDD (VCO)	356
6. Voice Carry-Over/Hearing Carry-Over Telephone (VCO/HCO)	275
7. Volume Control Telephones for Speech Impaired (VCPH)	140
8. In-Line Amplifier	130
9. Large Visual Display	33
10. Tactile Ring Signalers (TRS)	14
11. Tykriphone	7
12. Braille TTY	4
13. VCO Phone with LVD	3
14. Uncategorized Equipment	232
Total	59,663

VI. RELAY CALLING

June, 1992, was the first month of operation for the Relay Service. Call volumes have continued to grow since that time. Pages 31-39 (Appendix C) is usage information compiled from Sprint's monthly reports filed with the Commission.

VII. ADVISORY COMMITTEE

TASA establishes an Advisory Committee to advise the Florida Public Service Commission and the Administrator concerning the Telecommunications Access System. The Advisory Committee can consist of up to ten individuals recommended by eight different organizations. The current Advisory Committee consists of the following members.

RECOMMENDING ORGANIZATION	NAME OF MEMBER
Advocacy Center for Persons with Disabilities, Inc.	Steve Howells
Deaf Service Center Association	Jerry Conner
Florida Association of the Deaf, Inc.*	Alexander Fleischman
Florida Language Speech and Hearing Association	Vacant
Florida Telecommunications Industry Association (formerly known as Florida Telephone Association)	Susan C. Langston - local telco representative Jim Smith - long distance telco representative
Self Help for Hard of Hearing People	Shirley Jones

**Frank Slater, who was a member representing the Florida Association of the Deaf, Inc., passed away during the past year.*

During 2001, the Advisory Committee met on two occasions. At the March 27, 2001, meeting the topics discussed were 711, outreach efforts, video relay and caller ID.

The Advisory Committee also met on October 29, 2001. The primary items discussed were feedback on 711 and the pros and cons of a Florida Account Manager.

VIII. CONCLUSION

This year the FCC's implementation of 711 for nationwide access to relay service and the Commission's implementation of caller id service and turbocode have improved the quality of relay service in Florida. This year has also seen increased use of Florida's relay service, increased distribution of specialized telecommunications equipment to Florida's hearing and speech-impaired community, and increased outreach by FTRI to educate the community and the public about Florida Relay. The Commission expects these positive trends to continue in the year to come.

		COMMISSION APPROVED BUDGET 2000-2001	COMMISSION APPROVED BUDGET 2001-2002
OPERATING REVENUE			
1.	SURCHARGES	\$10,082,682	\$15,472,252
2.	INTEREST INCOME	\$285,144	\$144,728
3.	SERVICE/OTHER	\$0	\$0
	TOTAL OPERATING REVENUE	\$10,367,826	\$15,616,980
OPERATING EXPENSES			
CATEGORY I - RELAY SERVICES			
4.	DPR PROVIDER	\$8,971,537	\$9,224,035
	SUBTOTAL-CATEGORY I	\$8,971,537	\$9,224,035
CATEGORY II - EQUIPMENT & REPAIRS			
5.	TDD EQ	\$403,008	\$423,256
6.	LARGE PRINT TDD'S	\$12,735	\$19,332
7.	VOC/HCO-TDD	\$42,790	\$48,871
8.	VCO-TELEPHONE	\$117,147	\$38,590
9.	DUAL SENSORY EQ	\$21,740	\$35,360
10.	VCP HEARING IMP	\$1,853,714	\$3,048,817
11.	VCP SPEECH IMP	\$9,261	\$11,760
12.	IN-LINE AMPLIFIER	\$4,761	\$4,179
13.	ARS SIGNALING EQ	\$393,888	\$303,117
14.	VRS SIGNALING EQ	\$74,202	\$66,603
15.	TRS SIGNALING EQ	\$2,925	\$2,685
16.	TELECOMM EQ REPAIR	\$33,820	\$54,984
	SUBTOTAL-CATEGORY II	\$2,969,991	\$4,057,554
CATEGORY III - EQUIPMENT DISTRIBUTION AND TRAINING			
17.	FREIGHT/TELECOM EQUIP	\$45,635	\$37,061
18.	REGIONAL DISTRIBUTION CENTERS	\$927,092	\$1,375,248
19.	WORKSHOP EXPENSE	\$33,632	\$39,940
20.	TRAINING EXPENSE	\$85,793	\$117,624
	SUBTOTAL-CATEGORY III	\$1,092,152	\$1,569,873
CATEGORY IV - OUTREACH			
21.	OUTREACH EXPENSE	\$819,100	\$901,010
	SUBTOTAL-CATEGORY IV	\$819,100	\$901,010

COMMISSION APPROVED BUDGET 2000-2001	COMMISSION APPROVED BUDGET 2001-2002
---	---

CATEGORY V - GENERAL & ADMINISTRATION

22.	ADVERTISING	\$1,000	\$2,700
23.	ACCOUNTING/AUDITING	\$12,800	\$14,900
24.	LEGAL	\$70,400	\$82,859
25.	COMPUTER CONSULTATION	\$9,450	\$8,550
26.	BANK CHARGES	\$0	\$1,560
27.	DUES/SUBSCRIPTIONS	\$1,800	\$2,442
28.	OFFICE FURNITURE PURCHASE	\$2,500	\$7,306
28.A.	LESS: CAPITALIZED PORTION	\$0	\$0
29.	OFFICE EQUIPMENT PURCHASE	\$60,300	\$39,987
29.A.	LESS: CAPITALIZED PORTION	\$0	\$0
30.	DEPRECIATION	\$0	\$0
31.	OFFICE EQUIPMENT LEASE	\$3,940	\$4,238
32.	INSURANCE	\$124,464	\$155,853
33.	INSURANCE-OTHER	\$3,614	\$4,628
34.	OFFICE EXPENSE	\$7,855	\$9,132
35.	POSTAGE	\$14,011	\$20,608
36.	PRINTING	\$23,986	\$5,128
37.	RENT	\$65,736	\$81,353
38.	RETIREMENT	\$43,660	\$48,324
39.	EMPLOYEE COMPENSATION	\$386,370	\$427,648
40.	TEMPORARY EMPLOYMENT	\$9,810	\$7,820
41.	TAXES-PAYROLL	\$29,557	\$32,715
42.	TAXES-UNEMP COMP.	\$1,000	\$914
43.	TAXES-LICENSES	\$62	\$62
44.	TELEPHONE	\$26,008	\$38,949
45.	TRAVEL AND BUS EXPENSE	\$20,395	\$24,500
46.	EQUIPMENT MAINTENANCE	\$5,170	\$6,767
47.	EMPLOYEE TRAINING/DEVELOPMENT	\$1,000	\$5,040
48.	MEETING EXPENSE	\$6,430	\$3,430
49.	MISCELLANEOUS EXP.	\$200	\$200
SUBTOTAL-CATEGORY V		\$931,518	\$1,041,173
TOTAL EXPENSES		\$14,784,298	\$16,793,085
REVENUE LESS EXPENSES		(\$4,416,472)	(\$1,176,105)



Florida
Telecommunications
Relay,
Incorporated

Annual Report
2000 - 2001

Table of Contents

I.	Introduction	1
	A. TASA Requirements	1
	B. FTRI Mission Statement	1
II.	Equipment Distribution Program Overview	1
	A. Available Equipment	1
	B. Equipment Vendors	2
	C. Distribution	2
III.	Fiscal Year 2000 - 2001 Program Reports	3
	A. Distribution Report	3
	B. Number of New Recipients by Disability	4
	C. Number of New Recipients by County	5
	D. Number of New Recipients by Age	6
	E. Complaint Report	6
	F. Quality Assurance Report	7
IV.	Outreach Report	7
	A. FTRI Equipment Distribution Program	7
	B. Florida Relay	8
V.	Fiscal Year 2000 - 2001 Financial Report	8
VI.	Conclusion	9

I. Introduction

A. TASA Requirements

In response to TASA, the Florida Public Service Commission (FPSC) directed the local exchange companies (LECs) to form a not-for-profit corporation to fulfill the requirements of TASA. Florida Telecommunications Relay, Inc. (FTRI) registered with the Florida Department of State as a not-for-profit corporation effective June 13, 1991, and is exempt from Florida sales tax as a 501(c)(3) organization.

B. FTRI Mission Statement

Florida Telecommunications Relay, Inc. (FTRI), as the designated administrator, shall carry out the intent of the Telecommunications Access System Act (TASA) by providing access terminals required for basic telecommunications services to hearing impaired, speech impaired, and dual sensory impaired persons in the most cost effective manner.

II. Equipment Distribution Program Overview

A. Available Equipment

FTRI currently distributes the following specialized telecommunications equipment:

1. Text Telephone (TTY)
2. Volume Control Phone for the Hearing Impaired (VCPH)
3. Volume Control Phone for the Speech Impaired (VCPS)
4. Voice Carry-Over Telephone (VCO)
5. Large Visual Display TTY (LVDTTY)
6. TeleBraille TTY (TBTty)
7. In-Line Amplifier (ILA)
8. Voice Carry-Over / Hearing Carry-Over (VCO / HCO)
9. Tykriphone
10. Dialogue RC 200 w/ Air Switch

FTRI also distributes amplified, flashing, or vibrating ringer devices to alert clients to incoming telephone calls. These devices are:

1. Audible Ring Signaler (ARS)
2. Visual Ring Signaler (VRS)
3. Tactile Ring Signaler (TRS)

B. Equipment Vendors

The following are vendors who provide specialized telecommunications equipment through contract with FTRI:

Vendor	Equipment
Ultratec, Inc.	TTY
Ameriphone	VCPH
Ameriphone	VCPS
Harris Communications	VCO
Ultratec, Inc.	LVDDTY
Audio Visual Mart	TBTTY
Ameriphone	ILA
Harris Communications	VCO / HCO
Tykris, Inc.	Tykriphone
Ameriphone	Dialogue RC 200 w/ Air Switch
Ameriphone	ARS
Sonic Alert	VRS
Silent Call	TRS

Each type of equipment provided by FTRI has the following warranty periods:

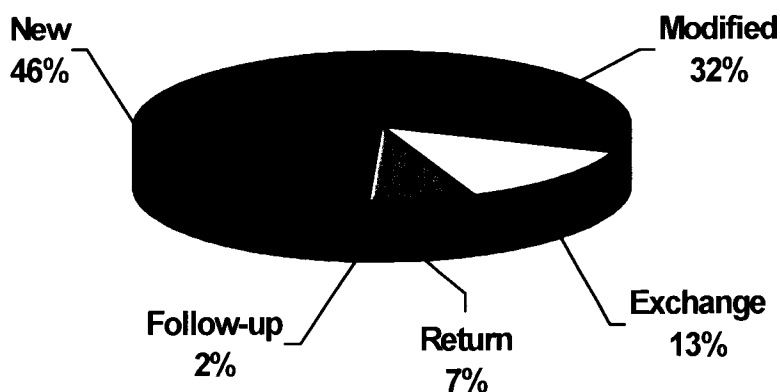
Equipment	Warranty Period
TTY	1 year
VCPH	1 year
VCPS	1 year
VCO	1 year
LVDDTY	1 year
TBTTY	2 years
ILA	1 year
VCO / HCO	1 year
Tykriphone	2 years
Dialogue RC 200	1 year
ARS	1 year
VRS	2 years
TRS	2 years

C. Distribution / RDC Contracted Services

FTRI utilizes a regional distribution system for approximately seventy-five percent of the state of Florida, with centralized distribution from the administrative office in Tallahassee accounting for the remaining twenty-five percent. FTRI contracted with thirteen non-profit agencies to provide services as Regional Distribution Centers (RDCs).

In areas served by RDCs, persons who are deaf, hard of hearing, or speech impaired have applications certified and processed (**New** service), receive equipment and training, and are supplied with any additional services. These may include modifying from one type of equipment to another (**Modified** service), exchanging for the same type of equipment (**Exchange** service), returning any equipment that is no longer necessary (**Return** service), and follow-up training or trouble-shooting services as needed (**Follow-up** service).

The total number of services provided by RDCs for fiscal year 2000 – 2001 was 40,170. The average number of services provided monthly was 3,348.

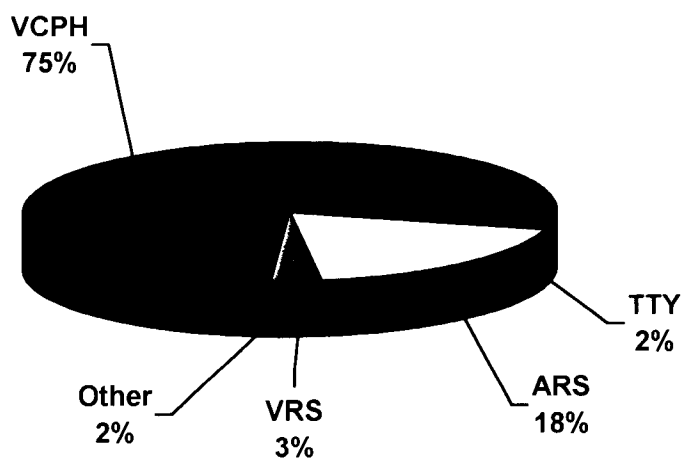


III. Fiscal Year 2000 – 2001 Program Reports

A. Distribution Report

New equipment distributed in fiscal year 2000 - 2001 numbered 59,663* pieces. The monthly equipment distribution average was 4,972.

* Margin of error $\pm 1\%$

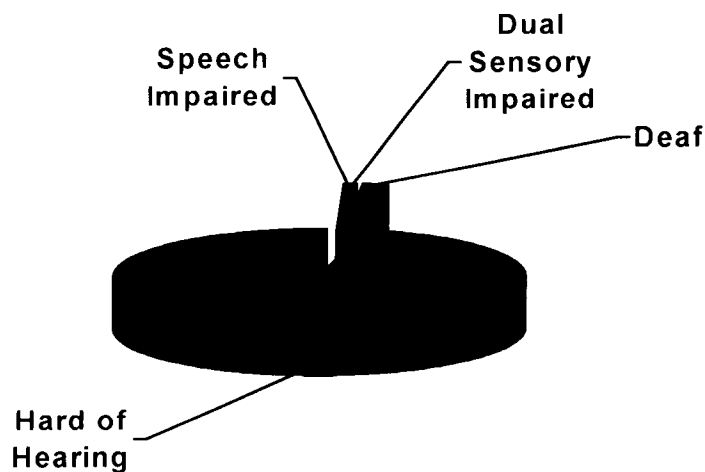


B. Number of New Recipients by Disability and Category of Certifier

FTRI served 24,615 new recipients during the reporting period. The breakdown of recipients is as follows:

Group	New Recipients
Deaf	481
Hard of Hearing	23914
Speech Impaired	163
Dual Sensory Impaired	57
Total	*24,615

** The number of new recipients is lower than the amount of distributed new equipment referenced in Section III-A because a significant number of recipients received more than one piece of equipment.*



Professionals involved with the certification of client applications for the equipment distribution program were as follows:

Category of Certifier	Quantity of Approved Applications
Audiologist	8912
Deaf Service Center Director	7842
Hearing Aid Specialist	6138
Licensed Physician	1285
Federal Agency	137
Speech Pathologist	114
State Agency	99
State Certified Teacher	88
Total	24,615

C. Number of New Recipients by County

The following is a breakdown of new recipients by county:

County	Recipients	County	Recipients
Alachua	262	Lake	585
Baker	13	Lee	1038
Bay	167	Leon	223
Bradford	32	Levy	96
Brevard	821	Liberty	4
Broward	2027	Madison	18
Calhoun	19	Manatee	541
Charlotte	723	Marion	665
Citrus	441	Martin	223
Clay	73	Monroe	307
Collier	266	Nassau	62
Columbia	103	Okaloosa	125
Dade	3314	Okeechobee	26
DeSoto	63	Orange	450
Dixie	26	Osceola	127
Duval	544	Palm Beach	2097
Escambia	485	Pasco	1021
Flagler	91	Pinellas	1257
Franklin	16	Polk	766
Gadsden	39	Putnam	117
Gilchrist	26	Santa Rosa	175
Glades	6	Sarasota	1095
Gulf	20	Seminole	248
Hamilton	23	St. Johns	139
Hardee	25	St. Lucie	307
Hendry	23	Sumter	126
Hernando	424	Suwannee	76
Highlands	552	Taylor	45
Hillsborough	924	Union	11
Holmes	23	Volusia	726
Indian River	193	Wakulla	19
Jackson	36	Walton	46
Jefferson	6	Washington	23
Lafayette	25		
Total		24,615	

Counties in **bold** are located close to Regional Distribution Centers. The contract for fiscal year 2000 – 2001 did not assign counties to each RDC. RDCs were permitted to service clients in all counties to promote the equipment distribution program.

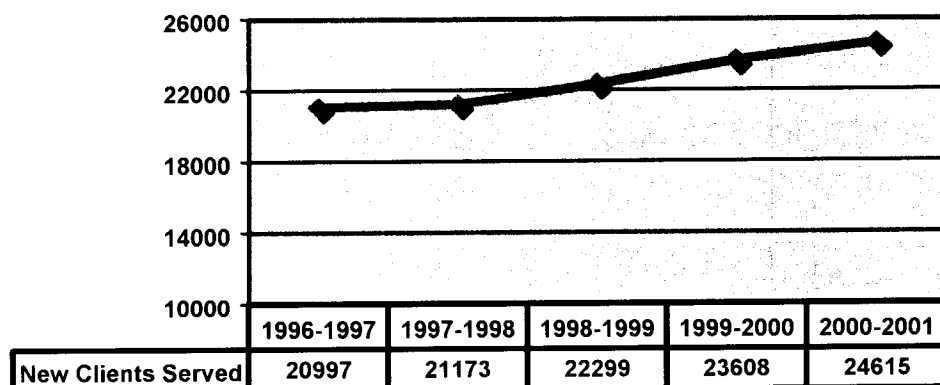
D. Number of New Recipients by Age

The breakdown of new recipients by age group is as follows:

Age Group	Recipients
4 – 9	167
10 – 19	178
20 – 29	126
30 – 39	257
40 – 49	448
50 – 59	976
60 – 69	2905
70 – 79	8876
80 – 89	8702
90 – 99	1905
100 – 109	75
Total	24,615

More people in the 70 – 79 age group received equipment than those of any other specific age group. Approximately ninety-one percent of all recipients in fiscal year ended 2001 were 60 years of age or older.

The number of new recipient services has increased steadily over the last five years as illustrated below:



E. Complaint Report

A complaint is defined as occurring "...Whenever an individual who, for whatever reason, feels he or she has not been adequately served, whether justified or not." The staff addresses all complaints received by FTRI. RDC complaints are referred to the Executive Director of the

named agency. Every attempt is made to resolve complaints to the client's satisfaction.

Following is a percentage distribution that reflects the areas into which FTRI categorized the complaints received by the main office during the fiscal year 2000 - 2001:

Category	Number of Complaints	Percent of Total
Administration	3	7.5
Equipment	6	15.0
Repair Facility	1	2.5
RDCs	12	30.0
Maintenance	3	7.5
Training	15	37.5
Other	0	0.0
Total	40	100.0

F. Quality Assurance Report

FTRI maintains a quality assurance system to monitor services as provided by the RDCs and training agencies. Questionnaires are sent monthly to a random selection of clients served by each center.

Approximately twenty percent of clients served by RDCs in a given month are sent quality assurance surveys. Of the approximately 5,600 questionnaires sent for the fiscal year, FTRI received 2,368 responses for a forty-two percent return rate. Ninety-six percent of the responses were positive. All negative responses were forwarded to the RDCs and TAs for follow-up.

IV. Outreach Report

During the past fiscal year, the FTRI Outreach Department has made notable progress promoting both the FTRI Equipment Distribution Program and the Florida Relay service.

A. FTRI Equipment Distribution Program

The total number of outreach activities performed for fiscal year ended 2001 was 344. These activities were primarily conducted by the Regional Distribution Centers and included health fairs, trade shows, exhibits, and expos as well as presentations to private businesses, government agencies, nursing homes, assisted living facilities, educational settings, medical facilities, and the general public. A reported 154,966 people attended these activities throughout the state.

B. Florida Relay

A campaign to create awareness throughout the state about Florida Relay was launched during this fiscal year. Focus group meetings were held throughout the state with the Deaf and Hard of Hearing communities to solicit input with the development of a new logo and theme that has been utilized in all printed materials and videos. Development of a full-page ad describing both the FTRI Equipment Distribution Program and Florida Relay has been submitted to the Florida Public Service Commission for dissemination to local exchange companies for publishing in future telephone books. Several public service announcements were developed that were aired during the third and fourth quarters. A specialized 711 public service announcement with Commissioner Lila Jaber was created for airing during fiscal year 2001 – 2002.



The next phase of the campaign is geared towards developing partnership with businesses throughout the state. Creating awareness and sensitivity about hearing loss among the business sector is essential to the successful promotion of the Florida Relay service and telephone independence to the 1.6 million Floridians with hearing impairments.

V. Fiscal Year 2000 - 2001 Financial Report

Please refer to Appendix A.

VI. Conclusion

During the past fiscal year, distribution of new equipment to qualified residents increased over previous years. A significant number of clients upgraded their amplified telephones to a model providing 55% more amplification over the previous model.

FTRI administers outreach for both the FTRI Equipment Distribution Program and Florida Relay. Approximately 95% of FTRI's overall outreach activities are concentrated to creating awareness and education to the general public about Florida Relay. In a professional survey conducted in August 2000, less than 10% of the people surveyed had heard of Florida Relay or FTRI Equipment Distribution Program. Over 90% of the people surveyed believe that both programs are a good idea. FTRI has made considerable progress in the area of outreach and will promote both programs throughout the state of Florida in the most cost effective manner.

FTRI continues to maintain its status as an administrative center, concentrating on oversight of the Regional Distribution Center (RDC) contractors, Training Agency (TA) contractors, and equipment vendors. The FTRI administrative office directly serves approximately twenty-five percent of Florida's residents who live in rural areas. Since the inception of the Equipment Distribution Program in 1986, over 227,000 residents have been provided with telecommunications equipment and support services.

Appendix A

FLORIDA TELECOMMUNICATIONS RELAY, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

FISCAL YEAR ENDED JUNE 30, 2001

TONY C. STARACE, CPA, PA

*1906 Buford Boulevard, Suite 3
Tallahassee, Florida 32308
(850) 422-0080 FAX: (850) 877-4720*

INDEPENDENT AUDITORS' REPORT

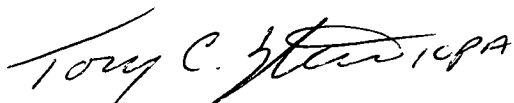
Board of Directors
Florida Telecommunications Relay, Inc.

We have audited the accompanying statement of financial position of Florida Telecommunications Relay, Inc. (a nonprofit organization) as of June 30, 2001 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Telecommunications Relay, Inc. as of June 30, 2001, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Tony C. Starace, CPA



August 31, 2001
Tallahassee, Florida

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2001

ASSETS

CURRENT ASSETS

Cash	\$ 4,730,695
Accounts Receivable (Note 1)	864,861
Prepaid Expenses (Note 1)	<u>1,445,747</u>

TOTAL CURRENT ASSETS	\$ 7,041,303
----------------------	--------------

PROPERTY & EQUIPMENT (Note 1)

Office Furniture	\$ 33,870
Office Equipment	125,507
Dual Sensory Equipment	100,685
less: Accumulated depreciation	<u>(177,872)</u>

NET PROPERTY & EQUIPMENT	82,190
--------------------------	--------

OTHER ASSETS	<u>1,100</u>
--------------	--------------

TOTAL ASSETS	<u>\$ 7,124,593</u>
--------------	---------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable (Note 1)	<u>\$ 1,058,343</u>
---------------------------	---------------------

TOTAL CURRENT LIABILITIES	\$ 1,058,343
---------------------------	--------------

NET ASSETS (Unrestricted)	<u>6,066,250</u>
---------------------------	------------------

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,124,593</u>
----------------------------------	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2001

REVENUES

Surcharge Revenue	\$ 10,294,561
Interest	<u>495,083</u>

TOTAL REVENUES \$ 10,789,644

EXPENSES

Category I - Relay Service

Total - Category I Expenses \$ 8,495,482

Category II - Equipment & Repair

Total - Category II Expenses 3,476,005

Category III - Equipment Distribution

Total - Category III Expenses 1,314,803

Category IV - Outreach

Total - Category IV Expenses 670,677

Category V - General & Administrative

Total - Category V Expenses 808,093

TOTAL EXPENSES \$ 14,765,060

EXCESS OF EXPENSES OVER REVENUES (3,975,416)

EXTRAORDINARY ITEMS

MCI Liquidated Damages \$ 175,000

TOTAL EXTRAORDINARY ITEMS \$ 175,000

NET REVENUES OVER EXPENSES \$ (3,800,416)

NET ASSETS, BEGINNING OF YEAR 9,866,666

NET ASSETS, END OF YEAR \$ 6,066,250

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF EXPENSES BY CATEGORY
For the Year Ended June 30, 2001

Category I - Relay Service

DPR Provider \$ 8,495,482

Category II - Equipment & Repair (Note 1)

TDD Equipment	\$ 409,425	
VCP Hearing Impaired Amplifiers	2,592,737	
VCP Speech Impaired	10,836	
In-Line Amplifiers	4,179	
VCO Telephone	90,935	
Signaling Equipment	343,118	
Dual Sensory Equipment	28,790	
Less: Capitalized Portion	(28,790)	
Depreciation	11,384	
Telecommunications Equipment Repair	<u>24,775</u>	
Subtotal - Category II		3,487,389

Category III - Equipment Distribution

Freight / Telecommunications Equipment	\$ 42,434	
Regional Distribution Centers	1,158,685	
Workshop Expense	219	
Equipment Training Expense	<u>113,465</u>	
Subtotal - Category III		1,314,803

Category IV - Outreach

Outreach Expense 670,677

Category V - General & Administrative

Advertising	\$ 2,301	
Accounting/Auditing	14,775	
Legal	72,361	
Consultation	11,044	
Bank charges	452	
Dues and Subscriptions	2,037	
Furniture & Equip. Purchased	13,369	
Less: Capitalized Portion	(13,369)	
Depreciation	15,273	
Office Equipment Lease	4,007	
Insurance	99,502	
Office Expenses	7,791	
Postage	18,608	
Printing	19,956	
Rent (Note 2)	58,985	
Retirement (Note 3)	35,812	
Employee Compensation	336,070	
Payroll Taxes	26,858	
Temporary Employment	13,326	
Telephone & Fax	32,256	
Travel and Business Expense	16,492	
Equipment Maintenance	3,695	
Employee Training	2,212	
Meeting & Interpreter Expense	2,835	
Miscellaneous Expense	<u>61</u>	
Subtotal - Category V		<u>796,709</u>

TOTAL EXPENSES

\$ 14,765,060

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2001

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Surcharge Revenue	\$ 10,379,626
Cash Paid for Goods and Services	(16,515,579)
Interest Income	<u>495,083</u>

NET CASH USED BY OPERATING ACTIVITIES (NOTE 4)	\$ (5,640,870)
--	----------------

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Paid to Acquire Fixed Assets	<u>\$ (42,234)</u>
-----------------------------------	--------------------

NET CASH USED IN INVESTING ACTIVITIES	\$ (42,234)
---------------------------------------	-------------

CASH FLOWS FROM EXTRAORDINARY ITEMS:

MCI Liquidated Damages	<u>\$ 175,000</u>
------------------------	-------------------

NET CASH PROVIDED BY EXTRAORDINARY ITEMS	<u>\$ 175,000</u>
--	-------------------

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,508,104)
--	-------------

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>10,238,799</u>
--	-------------------

CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 4,730,695</u>
--	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General:

The Organization maintains its accounts and prepares financial statements on the accrual basis of accounting. Revenues are recognized in the period earned, whether or not received; expenses are recognized in the period in which the obligation is incurred, whether or not paid.

Purpose:

The Organization is a not-for-profit corporation designated as the Administrator of the Telecommunications Access System Act, pursuant to s.427.704(2), F.S., and is responsible for the distribution of specialized telecommunications devices. The devices for the Deaf, Hard of Hearing and Speech impaired persons are distributed free of charge to clients certified by designated specialists in the speech and hearing field. The Florida Public Service Commission regulates the Organization, which is funded through a surcharge on telephone bills of residents of the State of Florida.

Property and equipment:

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

The Organization has adopted the policy of recording the purchase of the specialized telecommunication equipment, distributed to its clients, as an expense of the period, while the Organization retains certain rights and obligations.

Income taxes:

The Organization, a Florida nonprofit corporation, is tax exempt under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - LEASE

On May 31, 2001 the Organization's current operating lease agreement for office space expired. The lease was renewed for a six month period and expires November 30, 2001. Future minimum lease payments are: July 1, 2001 to November 30, 2001 - \$23,875.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE 3 - RETIREMENT PLAN

The Organization contributes to a multi-employer, non-contributory, defined benefit pension plan, sponsored by the National Telephone Cooperative Association. Employees begin participating in the plan quarterly coincident with their date of employment. Contributions to the plan are paid annually and based on 11.3% of compensation for all full-time employees and part-time employees, who work at least 1,000 hours per calendar year. Benefits will be paid to participants in an amount dependent on years of service and the final average salary as defined in the Plan Document.

**NOTE 4 - RECONCILIATION OF EXCESS OF EXPENSES OVER REVENUES
TO NET CASH USED BY OPERATING ACTIVITIES**

Excess of Expenses over Revenues \$ (3,800,417)

Items not requiring cash

<i>Decrease in Accounts Receivable</i>	<i>\$ 85,065</i>
<i>Increase in Prepaid Expenses</i>	<i>(1,384,121)</i>
<i>Decrease in Accounts Payable</i>	<i>(393,054)</i>
<i>Depreciation</i>	<i><u>26,657</u></i>

Net of items not requiring cash *(1,665,453)*

NET CASH USED BY OPERATING ACTIVITIES **\$ (5,465,870)**

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the cash maintained in a Checking/Investment Account are considered cash equivalents.

NOTE 5 - CONCENTRATION OF RISK

Florida Telecommunications Relay, Inc. maintains bank accounts at three banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at these institutions exceeded Federally insured limits. At June 30, 2001 FTR's uninsured cash balances total \$3,616,027.

ANNUAL REPORT

JUNE 1, 2000 - MAY 31, 2001

FLORIDA

RELAY SERVICE

Sprint

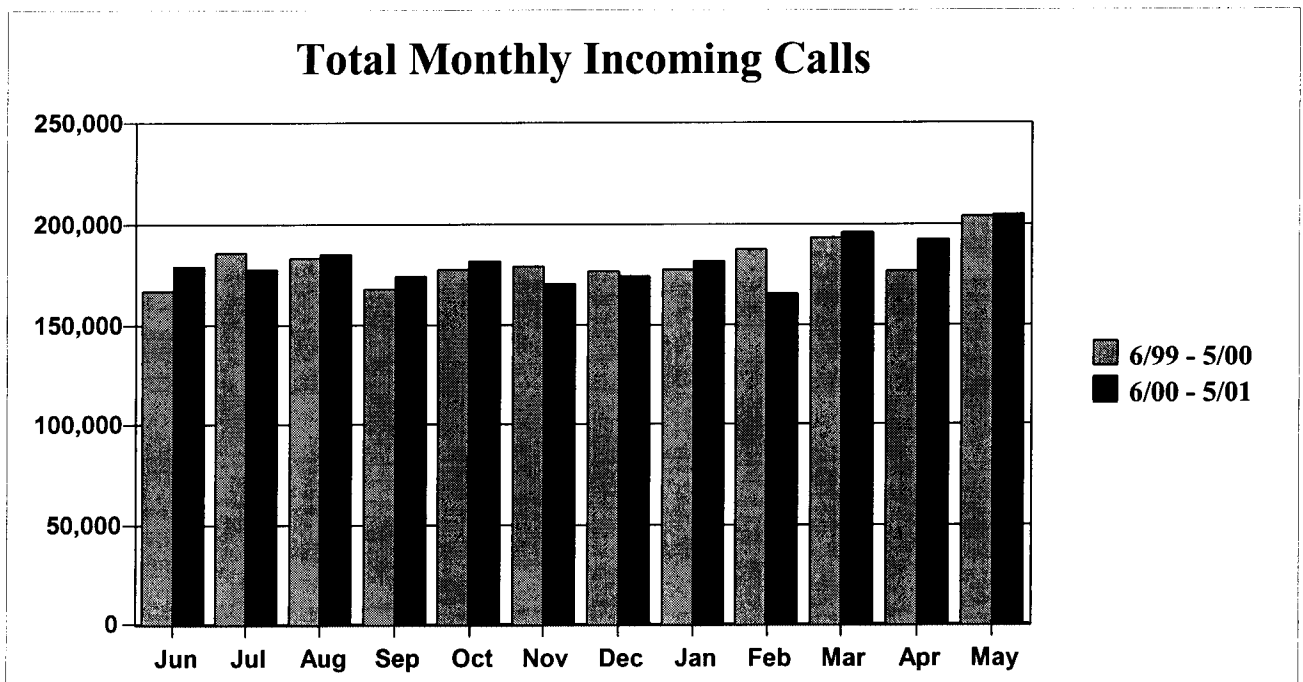
Florida Relay Service - June 2000 thru May 2000 vs. June 2000 thru May 2001

Monthly Incoming Calls
June 1999 - May 2000

June 2000 - May 2001

Total Incoming Calls		Total Incoming Calls	
Jun	167,089	Jun	179,561
Jul	186,338	Jul	177,974
Aug	183,280	Aug	184,921
Sep	168,192	Sep	174,871
Oct	177,812	Oct	181,728
Nov	179,700	Nov	170,785
Dec	176,831	Dec	174,658
Jan	177,677	Jan	181,647
Feb	187,692	Feb	165,075
Mar	193,161	Mar	195,644
Apr	177,217	Apr	192,434
May	204,474	May	204,634
Total	2,179,463	Total	2,183,932

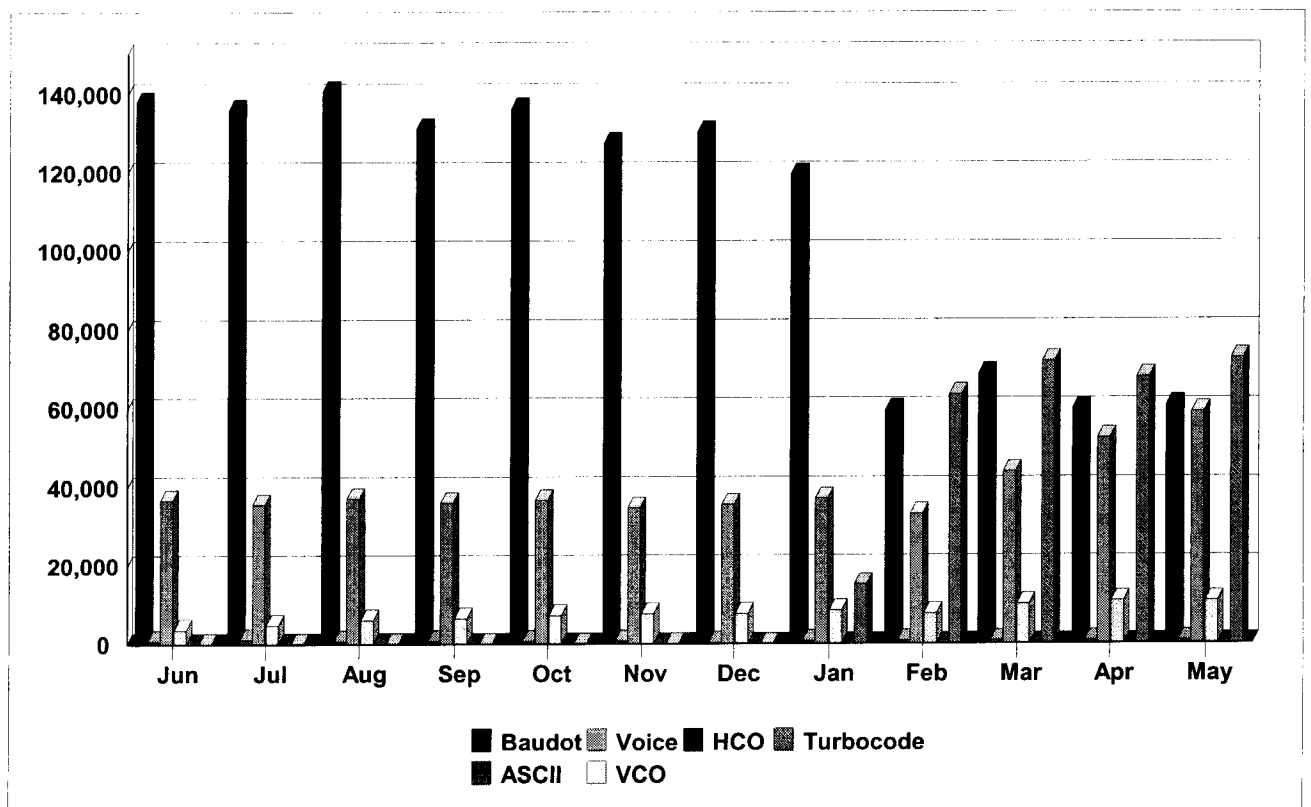
.2% increase in volume over the previous year.



Florida Relay Service - June 2000 thru May 2001

Monthly Incoming Calls by Type (Baudot, ASCII, Voice, VCO and HCO)

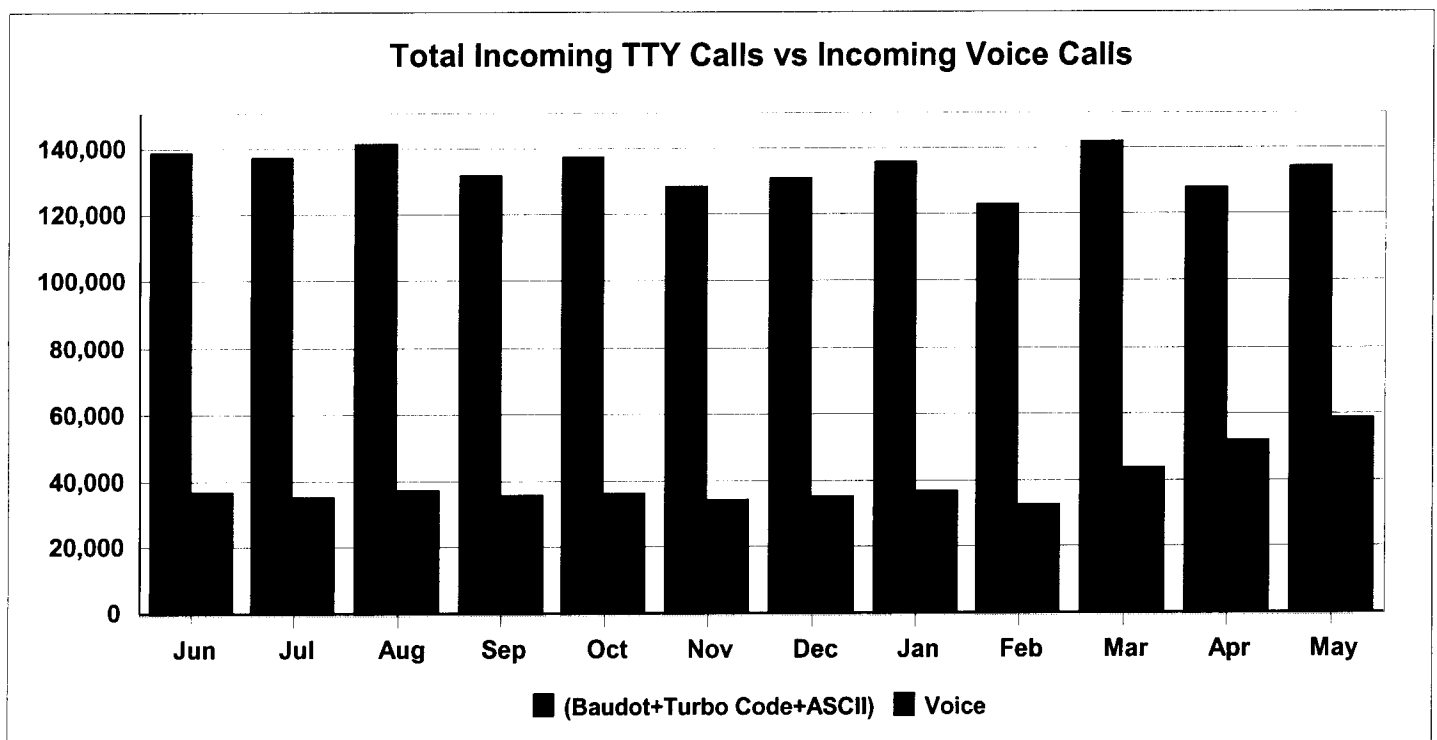
	Incoming						Total Incoming
	Incoming Baudot	Turbo Code	Incoming ASCII	Incoming Voice	Incoming VCO	Incoming HCO	
Jun	137,939	0	903	36,872	3,816	31	179,561
Jul	136,057	0	1,262	35,558	5,004	93	177,974
Aug	140,543	0	969	37,289	6,035	85	184,921
Sep	131,265	0	817	36,100	6,601	88	174,871
Oct	136,415	0	1,022	36,567	7,494	230	181,728
Nov	127,463	0	917	34,593	7,582	230	170,785
Dec	130,376	0	785	35,499	7,806	192	174,658
Jan	119,717	15,229	1,070	36,979	8,553	99	181,647
Feb	59,580	63,650	928	32,966	7,846	105	165,075
Mar	68,711	72,078	871	43,675	10,161	148	195,644
Apr	59,994	68,077	916	52,440	10,752	255	192,434
May	60,716	72,643	1,141	59,132	10,828	174	204,634
Total	1,308,776	291,677	11,601	477,670	92,478	1,730	2,183,932



Florida Relay Service - June 2000 thru May 2001

Monthly Incoming Calls - TTY vs Voice

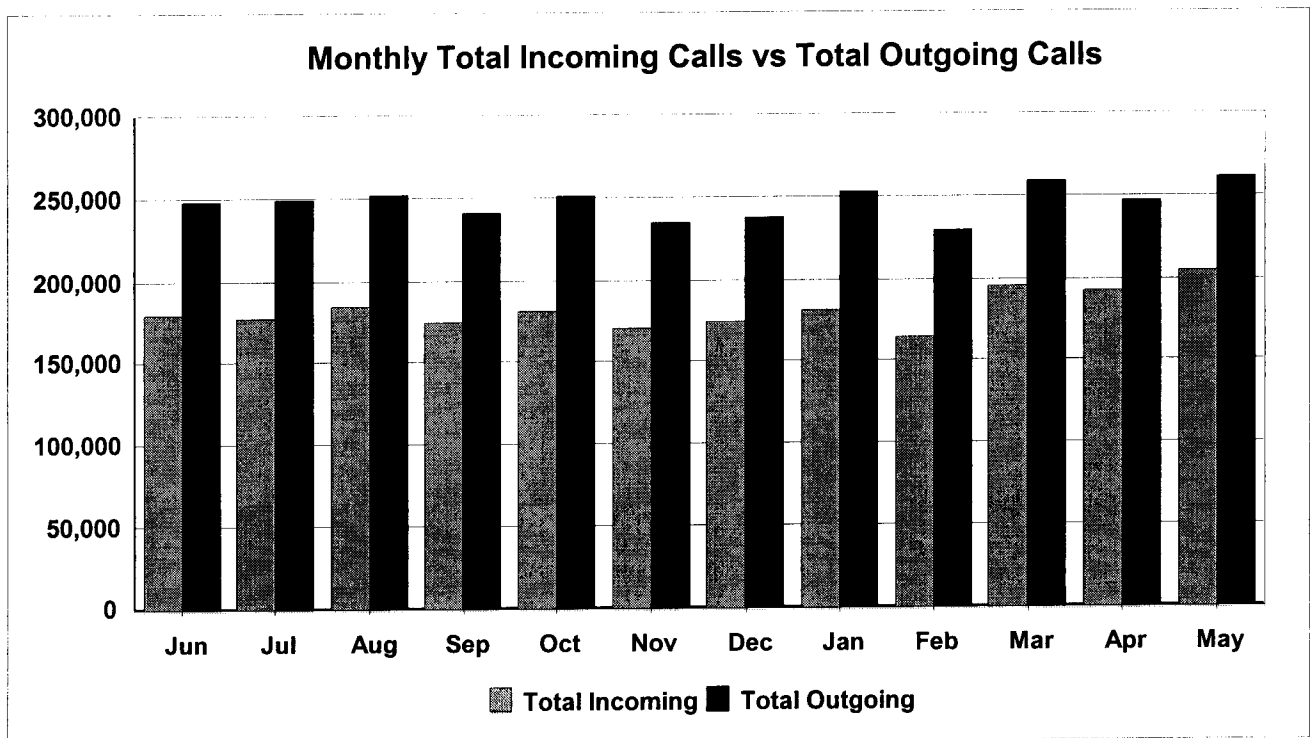
	Incoming TTY (Baudot+TurboCode+ASCII)	Incoming Voice
Jun	138,842	36,872
Jul	137,319	35,558
Aug	141,512	37,289
Sep	132,082	36,100
Oct	137,437	36,567
Nov	128,380	34,593
Dec	131,161	35,499
Jan	136,016	36,979
Feb	123,230	32,966
Mar	141,660	43,675
Apr	128,071	52,440
May	134,500	59,132
Total	1,610,210	477,670



Florida Relay Service - June 2000 thru May 2001

Monthly Incoming and Outgoing Calls

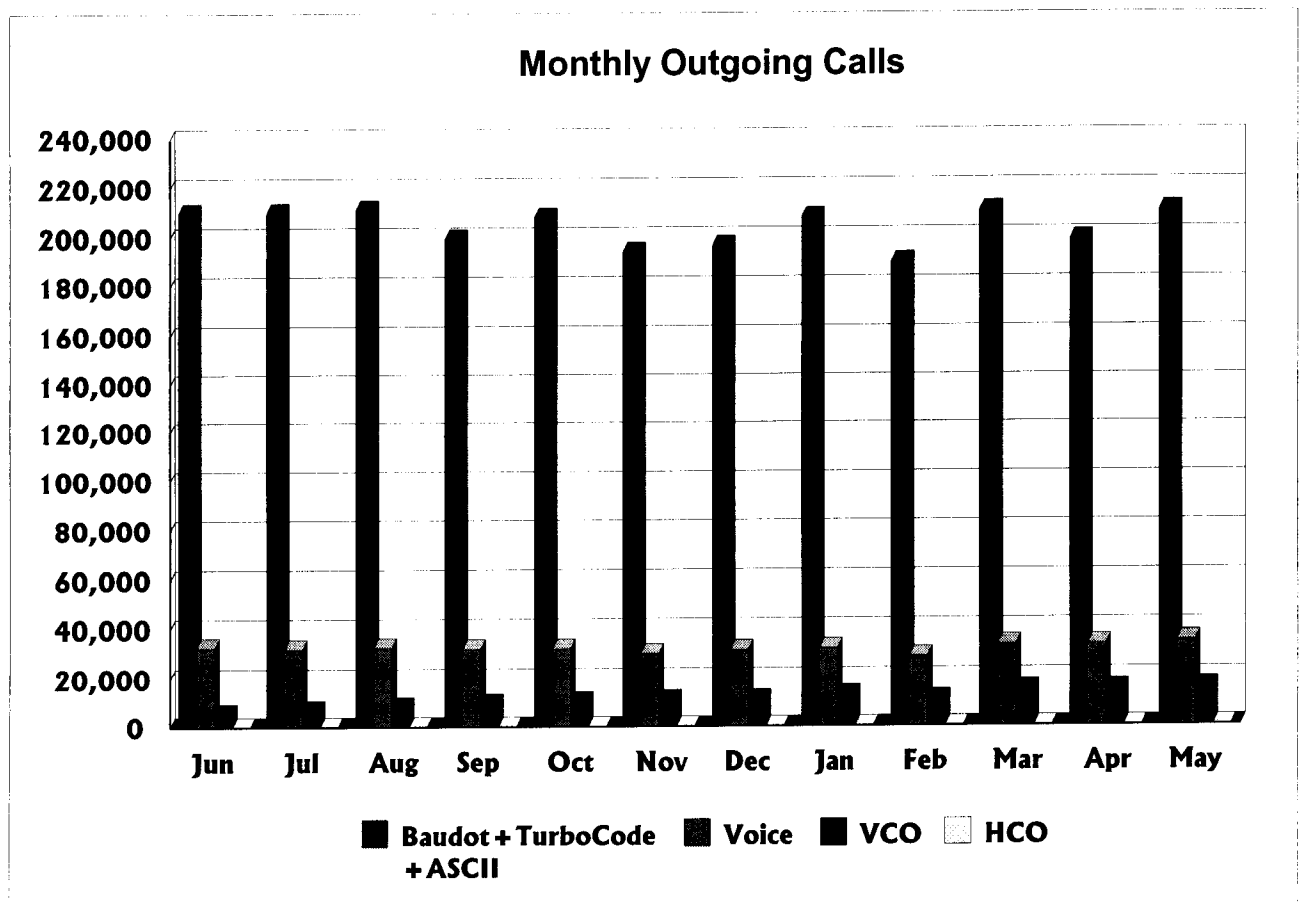
	Total Incoming	Incomplete Outgoing	Complete Outgoing	Total Outgoing
Jun	179,561	64,363	183,739	248,102
Jul	177,974	65,974	183,530	249,504
Aug	184,921	64,433	188,239	252,672
Sep	174,871	64,871	176,491	241,362
Oct	181,728	58,399	192,618	251,017
Nov	170,785	59,400	175,443	234,843
Dec	174,658	63,447	174,953	238,400
Jan	181,647	68,864	184,477	253,341
Feb	165,075	61,166	169,193	230,359
Mar	195,644	69,883	189,579	259,462
Apr	192,434	66,329	180,910	247,239
May	204,634	71,030	189,918	260,948
Total	2,183,932	778,159	2,189,090	2,967,249



Florida Relay Service - June 2000 thru May 2001

Monthly Outgoing Calls

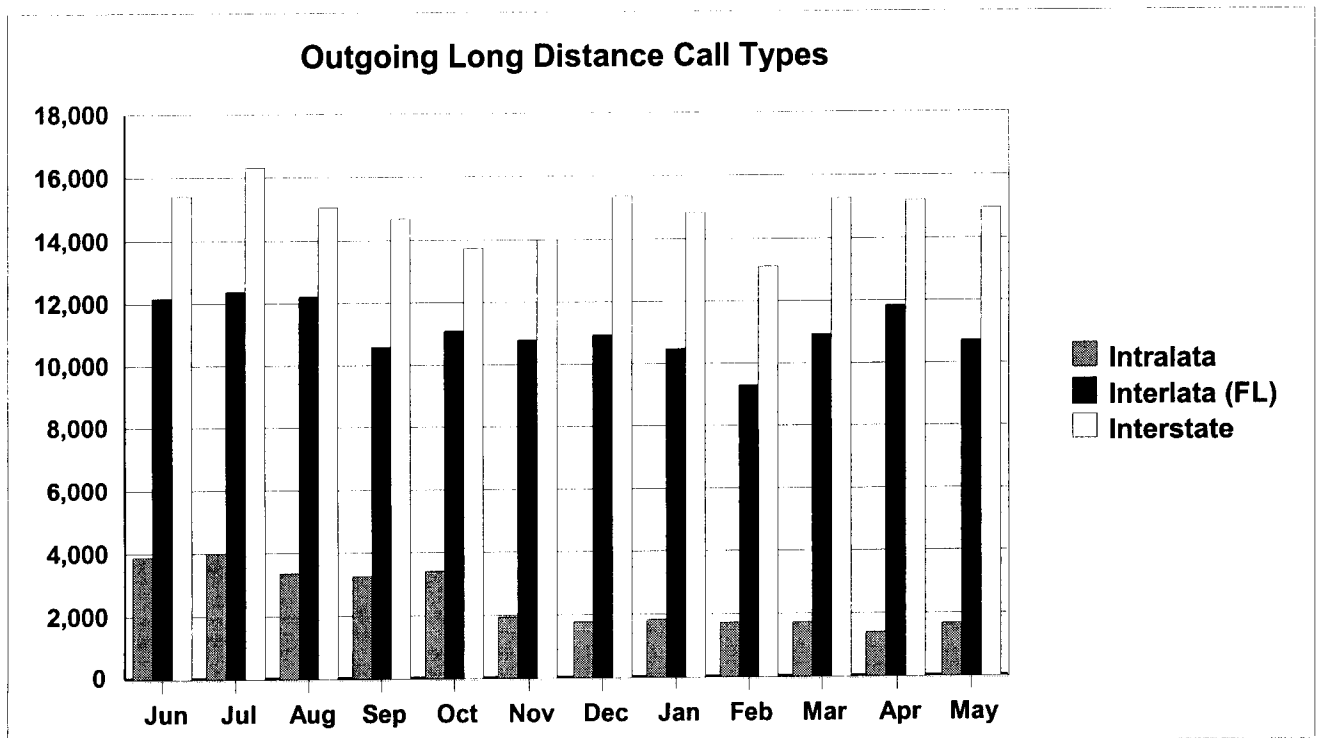
	Outgoing Baudot	Outgoing Turbo Code	Outgoing ASCII	Baudot+ Turbo Code +ASCII	Outgoing Voice	Outgoing VCO	Outgoing HCO	Total Outgoing
Jun	209,020	0	1,104	210,124	32,419	5,534	25	248,102
Jul	208,940	0	1,511	210,451	31,579	7,192	282	249,504
Aug	210,023	0	1,358	211,381	32,595	8,568	128	252,672
Sep	198,785	0	985	199,770	31,809	9,668	115	241,362
Oct	207,113	0	1,269	208,382	31,729	10,690	216	251,017
Nov	192,542	0	1,324	193,866	29,572	11,186	219	234,843
Dec	195,413	0	1,052	196,465	30,927	10,798	210	238,400
Jan	180,923	26,093	1,449	208,465	31,655	13,086	135	253,341
Feb	79,167	109,825	1,390	190,382	28,701	11,170	106	230,359
Mar	85,393	124,333	1,207	210,933	33,215	15,172	142	259,462
Apr	80,467	117,326	1,081	198,874	32,941	15,121	303	247,239
May	82,984	126,262	1,382	210,628	34,525	15,611	184	260,948
Total	1,930,770	503,839	15,112	2,449,721	381,667	133,796	2,065	2,967,249



Florida Relay Service - June 2000 thru May 2001

Monthly Outgoing Call Types

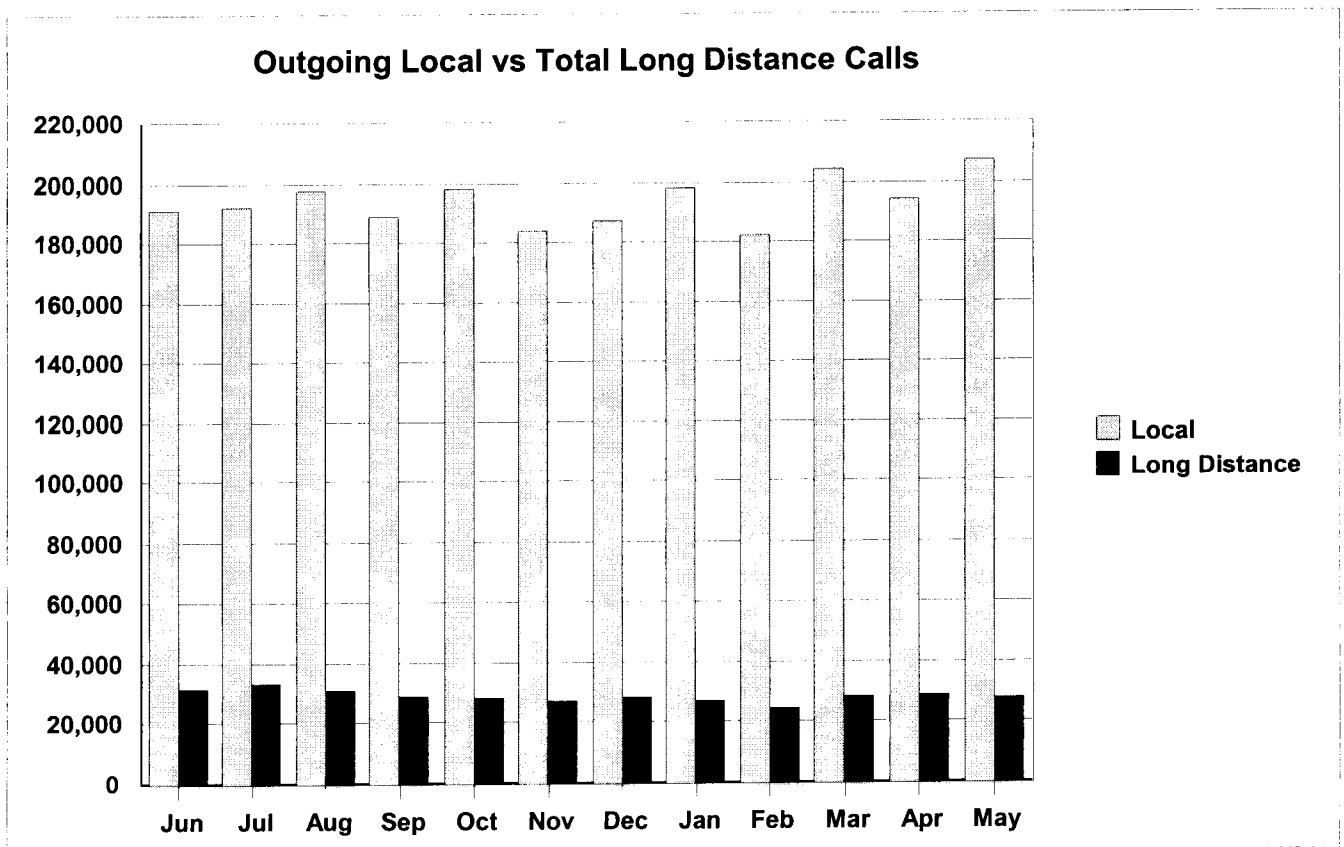
	Local	Intralata	Interlata (FL)	Interstate	Toll Free	Misc. (COC, Dir Assistance, (Internat'l)	Total Outgoing
Jun	191,363	3,861	12,161	15,431	23,787	1,499	248,102
Jul	192,418	3,966	12,379	16,349	23,060	1,332	249,504
Aug	197,822	3,348	12,240	15,093	22,728	1,441	252,672
Sep	189,266	3,248	10,589	14,691	22,218	1,350	241,362
Oct	198,578	3,402	11,094	13,766	22,985	1,192	251,017
Nov	184,298	1,926	10,788	14,005	22,395	1,431	234,843
Dec	187,198	1,773	10,947	15,377	21,769	1,336	238,400
Jan	198,321	1,802	10,453	14,860	26,123	1,782	253,341
Feb	182,297	1,722	9,335	13,118	22,630	1,257	230,359
Mar	204,619	1,732	10,975	15,266	25,407	1,463	259,462
Apr	194,586	1,409	11,837	15,251	22,733	1,423	247,239
May	207,198	1,665	10,730	14,991	24,998	1,366	260,948
Total	2,327,964	29,854	133,528	178,198	280,833	16,872	2,967,249



Florida Relay Service - June 2000 thru May 2001

Monthly Outgoing Call Types - Local Calls vs Long Distance Calls

	Local	Intralata	Interlata/ Intrastate	Interstate	International	Total Long Distance
Jun	191,363	3,861	12,161	15,431	356	31,809
Jul	192,418	3,966	12,379	16,349	280	32,974
Aug	197,822	3,348	12,240	15,093	260	30,941
Sep	189,266	3,248	10,589	14,691	268	28,796
Oct	198,578	3,402	11,094	13,766	160	28,422
Nov	184,298	1,926	10,788	14,005	204	26,923
Dec	187,198	1,773	10,947	15,377	184	28,281
Jan	198,321	1,802	10,453	14,860	286	27,401
Feb	182,297	1,722	9,335	13,118	112	24,287
Mar	204,619	1,732	10,975	15,266	200	28,173
Apr	194,586	1,409	11,837	15,251	194	28,691
May	207,198	1,665	10,730	14,991	221	27,607
Total	2,327,964	29,854	133,528	178,198	2,725	344,305



Florida Relay Service - June 2000 thru May 2001

Completed Outgoing Call Distribution - In Daily Average Minutes

	In Minutes							
	0-5	5-10	10-20	20-30	30-40	40-50	50-60	>60
Jun	7,545	945	524	126	42	17	7	9
Jul	7,303	907	500	91	41	18	8	8
Aug	7,464	946	520	119	42	18	8	9
Sep	7,371	919	502	121	40	16	8	9
Oct	7,417	919	512	124	40	17	9	9
Nov	7,157	899	490	120	41	16	8	9
Dec	7,102	858	469	114	37	17	8	10
Jan	7,465	928	518	127	42	19	9	12
Feb	7,535	914	497	120	41	16	7	9
Mar	7,962	924	505	122	41	17	8	9
Apr	8,045	885	488	118	39	16	8	9
May	8,338	911	492	119	40	18	8	12
Average	7,559	913	501	118	41	17	8	10

